

# EXHIBIT 17

## (Part 1 of 4)

## GENERAL DYNAMICS

July 28, 2006

**Via Federal Express**

Heather Lea  
Schlichter, Bogard & Denton  
100 South Fourth Street, Suite 900  
St. Louis, MO 63102

Re: Plan Information Requests for Daniel Kuczon

Dear Ms. Lea:

We are responding to your letter dated May 24, 2006, requesting information regarding your client, Daniel Kuczon, and his participation in the General Dynamics Corporation Savings and Stock Investment Plan (the "SSIP"). Also please note that we have enclosed an invoice to cover the copying costs for materials that are provided with this letter. We have provided specific responses to each of your SSIP requests as follows:

1. All documents under which the Plan is established or operated including, but not limited to the Plan document and current Summary Plan Description, latest complete Annual Report, trust agreements, and contracts with service providers.

See the enclosed latest plan document and summary plan description. See the enclosed latest Form 5500, which does not include the Schedule SSA as it contains confidential information relating to various participants, such as Social Security numbers, benefit amounts, etc. See the enclosed latest trust agreement. Because the Employee Retirement Income Security Act of 1974 ("ERISA") does not require the disclosure of the additional information you have requested, we have not provided such information.

2. All investment guidelines or directives.

This information is described in the fund fact sheets of the SSIP's summary plan description that are provided pursuant to request (1) above.

3. List each service provider to the Plan, including but not limited to pension consultants, investment managers, record keepers, brokers, administrators, and trustees. Additionally, identify the compensation received by each service provider, including, but not limited to all forms of compensation received from the Plan and from other providers through revenue-sharing or soft dollar arrangements, etc.

See Schedule C of the Form 5500 that is provided pursuant to request (1) above for a list of service providers paid by the SSIP as well as the compensation paid to each such service provider.

2941 Fairview Park Drive  
Suite 100  
Falls Church, VA 22042-4513  
Tel: 703 876 3409  
Fax: 703 876 3745  
heickelb@generaldynamics.com

**GD 00000331**

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Because ERISA does not require the disclosure of the additional information you have requested, we have not provided such information.

4. Identify the operating expense ratio for each fund and trust in the Plan for the current year and for the last five years.

Based on the latest information available to the SSIP, the current operating expense ratio (generally determined by dividing the investment alternative's expenses by its total assets) for each SSIP investment alternative is shown in the table below:

Investment Alternative	Operating Expense Ratio
Balanced Fund	0.18%
Bond Index Fund	0.24%
Fixed Income Fund	0.29%
S&P 500 Stock Index Fund	0.13%
Small Cap Index Fund	0.44%
GD Stock Fund	0.12%
Large Cap Value Fund	0.57%
Large Cap Growth Fund	0.45%

The information in the table above is more current than that contained in the fund fact sheets of the summary plan description which are provided pursuant to request (1) above and are updated on a quarterly basis and available upon request by calling the SSIP's automated telephone line at 1-888-432-3633.

5. List each service provider to the fund and trusts contained in the Plan, including but not limited to pension consultants, investment managers, record keepers, brokers, administrators, and trustees. Additionally, identify the compensation received by each service provider, including but not limited to all forms of compensation received from the Plan and from other providers through revenue-sharing or soft dollar arrangements, etc.

See Schedule C of the Form 5500 that is provided pursuant to request (1) above for a list of service providers paid by the SSIP as well as the compensation paid to each such service provider. Because ERISA does not require the disclosure of the additional information you have requested, we have not provided such information.

6. List all underlying assets or investments for each fund or trust in the Plan.

See the enclosed lists for each SSIP investment alternative. These lists are current as of June 30, 2006.

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7. Identify any insurance contracts and describe the promised rate of return and any fees or expenses charged including wrap fees.

See the enclosed "Fixed Income Fund" fund fact sheet of the SSIP's summary plan description that is provided pursuant to request (1) above.

8. If the Plan currently receives revenue sharing, please state how much the Plan has received for each of the past five years.

Because ERISA does not require the disclosure of the information you have requested, we have not provided such information.

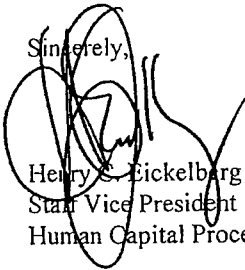
9. Identify all expenses, if any, paid by the Plan Sponsor.

Because ERISA does not require the disclosure of the information you have requested, we have not provided such information.

10. Identify the gross yield and the net yield for each mutual fund in the Plan for each of the past five years.

At this time there are two mutual funds available in the SSIP--the Dodge and Cox Stock Fund and Dimensional Fund Advisors' U.S. Small Cap Portfolio fund. The Dodge and Cox Stock Fund is available by way of the SSIP's Large Cap Value Fund investment alternative and it is the only holding in the SSIP's Large Cap Value Fund. Additionally, Dimensional Fund Advisors' U.S. Small Cap Portfolio fund is available by way of the SSIP's Small Cap Index Fund investment alternative. The U.S. Small Cap Portfolio fund is one of the funds that comprise the holdings of the SSIP's Small Cap Index Fund. The Dodge and Cox Stock Fund was not available to the SSIP before January 1, 2006. Thus your request with respect to the Dodge and Cox Stock Fund is not currently applicable to the SSIP. With respect to the U.S. Small Cap Portfolio fund, see the enclosed latest prospectus.

Sincerely,



Henry S. Eickelberg  
Staff Vice President  
Human Capital Processes

HCE:cks

enclosures

GD 00000333

**Invoice for Copying Costs  
Relating to May 24, 2006 Request for  
Plan Information**

Participant: Daniel Kuczon

Plan: General Dynamics Corporation Savings & Stock Investment Plan

<u>Document</u>	<u>No. Pages</u>	<u>Rate</u>	<u>Total</u>
Plan Document	62	\$0.09/page	\$5.58
Summary Plan Description	no charge	no charge	\$0.00
Annual Report (Form 5500)	22	\$0.09/page	\$1.98
Trust Agreement	52	\$0.09/page	\$4.68
List of Underlying Fund Investments	12	\$0.09/page	\$1.08
U.S. Small Cap Portfolio fund prospectus	no charge	no charge	\$0.00
Total	148	\$0.09/page	\$13.32

Please send a copy of this invoice and a check or money order in the amount of \$13.32, made payable to "General Dynamics Corporation", to the following address:

General Dynamics Corporation  
Attn: H. Eickelberg  
2941 Fairview Park Drive  
Suite 100  
Falls Church, VA 22042.

GD 00000334

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Relating to May 24, 2006 Request for  
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2941 Fairview Park Drive  
Suite 100  
Falls Church, VA 22042.

GD 00000335

1. All documents under which the Plan is established or operated including, but not limited to the Plan document and current Summary Plan Description, latest complete Annual Report, trust agreements, and contracts with service providers.

## MEMORANDUM OF PLAN ACTION

WHEREAS, pursuant to the Corporate Policy regarding Delegation of Authority and Assignment of Responsibility dated May 3, 2006 (the "Corporate Policy"), the Chief Executive Officer (the "CEO") of General Dynamics Corporation (the "Company") has been delegated the authority to take certain actions with respect to employee benefit plans;

WHEREAS, pursuant to the same Corporate Policy, the CEO is authorized to delegate such authority to the Senior Vice President of Human Resources and Administration (the "Senior Vice President"), among others; and

WHEREAS, the CEO desires to take certain actions with respect to certain employee benefit plans maintained by the Company and its subsidiaries.

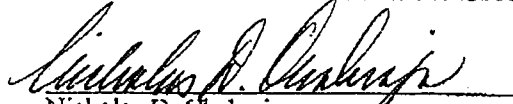
NOW, THEREFORE, BE IT RESOLVED, that the actions described in the following Appendices are hereby made effective as of the dates set forth therein:

1. Appendix 1 - Memorandum of Plan Adoption (qualified defined contribution plans of the Company)
2. Appendix 2 - Memorandum of Plan Amendment (Material Service Corporation)
3. Appendix 3 - Memorandum of Plan Adoption and Amendment (Anteon Corporation)
4. Appendix 4 - Delegation of Authority (Signing Authority)

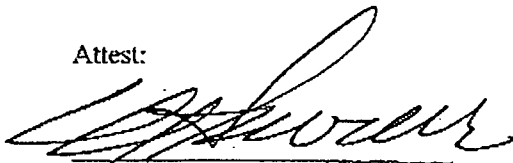
IN WITNESS WHEREOF, this Memorandum of Plan Action is executed as of the date indicated below.

Date: June 6, 2006

GENERAL DYNAMICS CORPORATION

  
Nicholas D. Chabraja  
Chairman of the Board of Directors and  
Chief Executive Officer

Attest:

  
David A. Savner  
Senior Vice President and  
General Counsel, Secretary

GD 00000337



**APPENDIX 1**

**MEMORANDUM OF PLAN ADOPTION**

Adoption of the Savings and Stock Investment Plans.

1. Effective January 1, 2006, General Dynamics Corporation (the "Company") adopts the General Dynamics Corporation Savings and Stock Investment Plan (as amended and restated effective January 1, 2006), attached hereto as Exhibit A.
2. Effective January 1, 2006, the Company adopts the General Dynamics Corporation Hourly Employees' Savings and Stock Investment Plan (as amended and restated effective January 1, 2006), attached hereto as Exhibit B.

**GD 00000338**

**EXHIBIT A**

**GD 00000339**

**GENERAL DYNAMICS CORPORATION**  
**SAVINGS AND STOCK INVESTMENT PLAN**

(As Amended and Restated  
Effective as of January 1, 2006)

**GD 00000340**

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## ARTICLE I

### INTRODUCTION & PLAN HISTORY

1.01 Introduction. The General Dynamics Corporation Savings and Stock Investment Plan (As Amended and Restated Effective as of January 1, 2006) (the "Plan") is maintained by General Dynamics Corporation (the "Company"). The purposes of the Plan are to encourage thrift on the part of eligible employees by furnishing them with an incentive to save for the future and to give them an opportunity to become more interested in the affairs of the Company through investing in the Plan's Company Stock fund. The Plan is intended to be a profit sharing plan with a Code Section 401(k) feature and a Code Section 401(m) feature, except that, effective as of January 1, 2005, a portion of the Plan's Company Stock fund was designated as a stock bonus plan and an employee stock ownership plan ("ESOP"), as defined in Code Section 4975(e)(7). In the event that any provision of the Plan relating to the ESOP conflicts with any applicable ESOP requirements set forth in the Code or any regulations thereunder, the Plan shall be construed and administered to conform to such requirements.

1.02 History and Effective Date. The Plan previously was amended and restated effective as of April 1, 1997, and thereafter was again amended and restated effective as of January 1, 2001. Such 2001 restatement, and as subsequently amended from time to time, (the "2001 Restatement") is in compliance with the General Agreement on Tariffs and Trade, the Uniform Services Employment and Reemployment Rights Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000, as demonstrated by its favorable determination letter issued by the Internal Revenue Service on August 19, 2003. The 2001 Restatement was intended to be in good faith compliance with the requirements of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and is to be construed in accordance with EGTRRA and guidance issued thereunder. The Plan was subsequently restated as of January 1, 2005 and the foregoing statutory requirements that were implemented in the 2001 Restatement were carried forward in the Plan, as set forth therein.

The effective date of the amendment and restatement of this Plan is January 1, 2006, except as otherwise provided herein, and all prior statutory requirements are carried forward in the Plan. The Plan, as set forth herein, replaces and supersedes all prior versions of the Plan, and the Plan, as set forth herein, received a favorable determination letter issued by the Internal Revenue Service on March 27, 2006.

1.03 Employers. Any subsidiary, affiliate or business unit of the Company may become an Employer with the Company's consent, provided such consent is indicated by amendment to the Plan. Notwithstanding anything to the contrary, employees of any subsidiary, affiliate or business unit that become employees of the Company or of its controlled group of corporations (as defined in Code Section 414(b)) by reason of any acquisition, merger or other corporate transaction shall not be permitted to participate in the Plan (a) in the absence of any express provision for their participation in any "Supplement" (as defined herein) or (b) in the

event that such employees continue to actively participate in any similar plan for which the Company or any of its affiliates, subsidiaries or business units assumes or maintains sponsorship. A "subsidiary" of the Company is any legal entity of which more than 50 percent of the voting stock, units or other ownership interests thereof is owned, directly or indirectly, by the Company. An "affiliate" of the Company is any legal entity of which more than 50 percent of the voting stock, units or other ownership interests thereof is owned, directly or indirectly, by the owner or owners of more than 50 percent of the voting stock of the Company. A "business unit" of the Company is any subsidiary or affiliate of the Company or any economic or organizational or locational division or unit thereof. The Company and any stand-alone subsidiaries, affiliates or business units of the Company which participate in the Plan are referred to below collectively as the "Employers" or "Employing Units" and sometimes individually as an "Employer" or an "Employing Unit."

1.04 Notices. Any notice or document required to be given to or filed with the Company will be properly given or filed if delivered or mailed, by registered mail, postage prepaid, to the Company, at 2941 Fairview Park Drive, Suite 100, Falls Church, VA 22042.

1.05 Funding of Benefits. Funds contributed under the Plan are held and invested in a trust fund (the "Trust Fund"), until distribution, by a trustee appointed by the Company (the "Trustee") in accordance with the terms of a trust agreement between the Company and the Trustee which implements and forms a part of the Plan (the "Trust Agreement"). Participation and benefits under the Plan are subject to the terms and provisions of the Plan and the Trust Agreement.

1.06 Exhibits and Plan Supplements. From time to time, the Company may adopt exhibits to the Plan for the purpose of setting forth specific provisions of this Plan ("Exhibits"). In addition, the Company may from time to time adopt supplements to this Plan document for the purpose of providing documentation necessary to determine benefits under the Plan for certain employee groups and Employing Units ("Supplements"). An Exhibit or Supplement may provide for additional benefits, substitute one benefit for another or provide for more restrictive benefits than those found in the main body of this Plan document. Exhibits and Supplements may also include provisions to preserve benefits attributable to such Employees' participation in a Plan of the Employing Unit, predecessor of the Employing Unit or Affiliated Group, or to coordinate such benefits with the benefits of the Plan. Each such Exhibit or Supplement shall be attached to and form a part of the Plan. Each Exhibit and Supplement shall specify the Employing Unit to which it applies and shall supersede the provisions of the Plan document to the extent necessary to eliminate any inconsistencies between the Plan document and such Exhibits and Supplements.

## ARTICLE II

### DEFINITIONS

The following words and phrases shall have the respective meanings stated below unless a different meaning is plainly required by the context:

2.01 Account. "Account" means the recordkeeping account to which Contributions are credited under this Plan, as described in Article IX. An Account may be divided into various sub-accounts, as determined by the Plan Administrator. Such Accounts and subaccounts, if any, are referred to herein collectively as the "Account" or "Accounts," and sometimes individually as the "Account." To the extent necessary or desirable as determined by the Plan Administrator, each Account shall segregate income from contributions for the purpose of properly recording distributions and/or withdrawals from the Participant's Account.

2.02 Active Participant. "Active Participant" shall have the meaning set forth in Section 3.02.

2.03 Affiliated Group. "Affiliated Group" means that group of corporations and entities comprising the following: any corporation which is a Member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Company; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) which is a Participant of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; and any other entity required to be aggregated with the Company pursuant to Regulations under Code Section 414(o) (collectively referred to herein as an "Affiliated Group Member").

2.04 After-Tax Contributions. "After-Tax Contributions" means the amount, if any, withheld from the Participant's paycheck on a non-deductible basis and contributed to the Plan as permitted under a specific provision of the Plan.

2.05 Authorized Leave of Absence. "Authorized Leave of Absence" means a temporary paid or unpaid cessation from active employment with the Employer pursuant to an established nondiscriminatory policy, whether occasioned by illness, military service, maternity or paternity reasons, or any other reason. An Authorized Leave of Absence shall include that portion of leave under the Family and Medical Leave Act, as amended (the "FMLA") that is required to be credited by the FMLA. In addition, the following shall be Authorized Leaves of Absence:

- (a) Armed Forces Leave. An absence due to service in the Armed Forces of the United States shall be considered an Authorized Leave of Absence provided that the Employee returns to employment with the Employer with re-employment rights provided by federal law.
- (b) Maternity or Paternity Leave of Absence. For purposes of this Plan, a "maternity or paternity leave of absence" means an absence from work for any period by reason of the Employee's pregnancy, birth of the

Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement. In the case of such an absence, the 12-consecutive-month period beginning on the first anniversary of the first day of such absence shall not constitute a One-Year-Break in Service under Section 7.02(f). The Plan Administrator shall determine, under rules of uniform application and based on information provided to the Plan Administrator by the Employee, whether the Employee's absence from work is due to "maternity or paternity leave of absence."

2.06 Beneficiary. "Beneficiary" has the meaning described in Section 8.06.

2.07 Company. "Company" means General Dynamics Corporation and any successor thereto.

2.08 Company Stock or Shares. "Company Stock" or "Shares" means the common stock of the Company.

2.09 Continuous Service. "Continuous Service" has the meaning described in Section 7.02(d).

2.10 Contributions. "Contributions" means any 401(k) Contributions, After-Tax Contributions, Employer Contributions, Rollover Contributions and other contributions allocated to a Participant's Account.

2.11 Deferral Pay. A Participant's "Deferral Pay" is defined as provided in the applicable Supplement.

2.12 Deferral Percentage. "Deferral Percentage" means a Participant's 401(k) Contribution percentage, as described in Section 4.01 of this Plan and in the applicable Supplement, if any.

2.13 Disability. "Disability" means when the Plan Administrator is notified by the Employing Unit that a Participant is determined to be disabled under the terms of his or her Employing Unit's applicable long-term disability plan or when a Participant is determined to be disabled by the Social Security Administration. An individual who elects an installment form of distribution of his or her Vested Account by reason of Disability may be required to submit to a medical examination at any time by the Plan Administrator, but not more often than once every six (6) months, to determine whether he is eligible for continuance of further installment payments. If the Plan Administrator is notified by the Employing Unit that such individual prior to attaining age sixty-five (65) is no longer disabled under the terms of his or her Employing Unit's applicable long-term disability plan or is no longer found to be disabled by the Social Security Administration and such individual returns to active status with the Company, the

distribution of his or her Vested Account shall cease. In the event that such individual shall fail within thirty (30) days after receiving notice to submit to medical examinations, his or her installment distribution payments may be discontinued at the discretion of the Plan Administrator until he or she has submitted to such examination, after which his or her continued eligibility may be determined as provided above. The medical examinations provided herein shall be made by a competent physician or physicians or clinic or hospital selected by the Plan Administrator.

2.14 Effective Date. "Effective Date" shall have the meaning set forth in Section 1.02.

2.15 Eligible Employee. "Eligible Employee" means an Employee who is employed by an Employing Unit and is described in a Supplement. However, the term "Eligible Employee" shall not include:

- (a) Union Represented Employees: Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code Section 7701(a)(46)) and an Affiliated Group Member, under which retirement benefits were the subject of good faith bargaining between the parties, will not be eligible to participate in this Plan unless such agreement expressly provides for coverage under this Plan;
- (b) Non-resident Aliens: Employees who are nonresident aliens (within the meaning of Code Section 7701(b)(1)(B)) and who receive no earned income (within the meaning of Code Section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code Section 861(a)(3)); and
- (c) Leased Employees: Employees who are leased employees within the meaning of Code Sections 414(n)(2) and 414(o)(2) and as defined in Section 3.07 of this Plan.

2.16 Employee. "Employee" means a salaried employee of an Affiliated Group Member or of an Employing Unit. Notwithstanding any provision of the Plan to the contrary, the term Employee shall not include for any purpose of the Plan any independent contractor or leased employee or any other individual who performs services for the Affiliated Group or any Employing Unit and who is not treated or classified as an employee by the Affiliated Group or Employing Unit even if a court, administrative agency or other entity determines that such person is a common law employee. To the extent required by Code Section 414(n), a "leased employee," as defined in Section 3.07, shall be treated as an Employee but shall not be eligible to participate in the Plan. To the extent required by Code Section 414(o), individuals who are not otherwise Employees shall be treated as Employees but shall not be eligible to participate in this Plan.

2.17 Employer or Employing Unit. "Employer" or "Employing Unit" shall have the meaning set forth in Section 1.03.

2.18 Employer Contributions. "Employer Contributions" means the amounts contributed to the Plan by an Employer on a Participant's behalf pursuant to Section 5.01 or 5.02 of the Plan.

2.19 401(k) Contributions. "401(k) Contributions" means the amounts contributed (on a before-tax basis) to the Plan by an Employer on the Participant's behalf pursuant to the Participant's valid election. A Participant shall at all times be 100% vested in his or her 401(k) Contributions and earnings thereon.

2.20 Highly Compensated Employee. A "Highly Compensated Employee" means any present or former employee who:

- (a) was a 5% owner of an Employer during the current or immediately preceding Plan Year; or
- (b) received annual compensation from an Employer of more than \$95,000 (or such other amount as may be determined under Code Section 401(a)(17) or any successor provision thereto) during the immediately preceding Plan Year and, if the Plan Administrator elects for such year, was in the top-paid 20% of the Employees for such year.

For purposes of the foregoing, an Employee's compensation means his or her total compensation for services rendered to the Employer as an Employee, determined in accordance with Section 415(c)(3) of the Code, but including pre-tax deferrals or payments made pursuant to Sections 125 and 402(e)(3) of the Code and, effective as of January 1, 2001, including any such deferrals or payments made pursuant to Code Section 132(f).

2.21 Hour of Service. "Hour of Service" means each hour for which an individual is paid, or entitled to payment, for any reason by the Affiliated Group or for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Affiliated Group. In any event, the determination of the meaning of "Hour of Service" shall always be made in accordance with Department of Labor Regulation § 2530.200b-2 or any successor provision thereto.

2.22 Inactive Participant. "Inactive Participant" shall have the meaning set forth in Section 3.03.

2.23 Internal Revenue Code and ERISA. "Internal Revenue Code," or "Code," and "ERISA" mean, respectively, the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974, as amended. Any reference to a Section of the Internal Revenue Code or of ERISA shall include any comparable Section or Sections of any current or future legislation, regulation (including, to the extent relied upon by the Plan



Administrator, any temporary or proposed regulations) or issuance that amends, interprets, supplements or supersedes that section.

2.24 Participant. "Participant" shall mean each Eligible Employee as further described in Section 3.01 (or as otherwise indicated under Section 3.03).

2.25 Plan Administrator. "Plan Administrator" means the Company.

2.26 Plan Year. "Plan Year" means the 12 month period beginning on January 1st and ending on the following December 31st.

2.27 Qualified Military Service. "Qualified Military Service" has the meaning set forth in Section 414(u) of the Code. Notwithstanding any provision of this Plan to the contrary and effective with respect to reemployment occurring on or after December 12, 1994, contributions, benefits and service credit with respect to Qualified Military Service will be provided in accordance with Section 414(u) of the Code and loan repayments will be suspended under this Plan during such service as permitted under Section 414(u) of the Code.

2.28 Spouse. "Spouse" or "spousal," whether capitalized or not, means a legally-married person who is the opposite sex of a Participant, consistent with applicable federal law, including, but not limited to, the Defense of Marriage Act.

2.29 Valuation Date. "Valuation Date" means each day the New York Stock Exchange is open for business and Participants' Accounts are adjusted under the Plan.

2.30 Vested Account. "Vested Account" means that portion of a Participant's Account in which he is 100% vested.

### ARTICLE III

#### PARTICIPATION

3.01 Eligibility and Commencement of Participation. Subject to the conditions and limitations of the Plan, each Eligible Employee who was a participant in the Plan immediately before the Effective Date shall continue to participate in this Plan as of the Effective Date. Effective January 1, 2006, the Plan Administrator may establish procedures for automatic enrollment in the Plan in which case each other Eligible Employee shall automatically become a Participant thirty days after the Plan Administrator is notified of such employee's first day of employment with the Company by reason of the automatic deferral described in Section 4.01 of the Plan, unless an election to the contrary is made by such thirtieth day.

In the event that procedures for automatic enrollment in the Plan are not established or until such time as such procedures are established, each other Eligible Employee not described in the first sentence of the above paragraph may elect to participate in the Plan on his or her first day of employment as an Eligible Employee or on the Effective Date, whichever is later, by complying

with enrollment procedures and authorizing a deferral of Deferral Pay at such time and in such manner as the Company may prescribe. Each such Eligible Employee shall become a Participant in the Plan as soon as administratively feasible after electing enrollment and complying with enrollment procedures. The Plan Administrator will furnish each such Participant and each beneficiary receiving benefits thereunder with a copy of a summary plan description.

3.02 Active Participation. A Participant who is eligible to make 401(k) Contributions (regardless of whether such contributions are actually made) or whose right to do so has been temporarily suspended for any reason, and who has an Account balance under the Plan, is an Active Participant and is eligible to receive contributions under Article V. Each Participant shall participate in the Plan under the terms and conditions of the Supplement applicable to that Participant's current Employing Unit.

3.03 Inactive Participation. A Participant shall be an Inactive Participant when he is no longer an Eligible Employee but maintains an Account balance. An Inactive Participant is not eligible to make a 401(k) Contributions election, nor may he receive contributions under Article V, but he may continue to make investment transfer and distribution decisions, as provided for by the Plan. Where the context permits, Inactive Participants and Active Participants are referred to collectively as "Participants."

3.04 Limited Participation by Beneficiary or Alternate Payee. If a Participant dies before his or her Account balance is reduced to zero, his or her Beneficiary shall be deemed a Participant for the limited and exclusive purposes of administering the deceased Participant's Account and distributing the same. Any "Alternate Payee" identified in a Qualified Domestic Relations Order (as defined by Section 414(p) of the Code) shall be deemed a Participant for the limited and exclusive purposes of administering the Alternate Payee's interest in the Plan and distributing the same.

3.05 Termination of Participation. An individual who has become a Participant shall remain an Active Participant or an Inactive Participant, as appropriate, until he dies or his or her Account balance is reduced to zero.

3.06 Transfer of Employment. Any change in employment status which causes a Participant who remains employed by the Affiliated Group to cease to be an Eligible Employee shall not be considered to be a termination of employment for purposes of Section 7.02(e), but such Participant shall cease to be an Active Participant and shall become an Inactive Participant. Any transfer from one Affiliated Group Member to another will not be treated as a termination of employment for purposes of Section 7.02(e) of this Plan. In the event of any transfers between Affiliated Group Members with different Supplements in the Plan or any transfer between the Plan and the General Dynamics Corporation Hourly Employees' Savings and Stock Investment Plan, such Participant, prospectively from the date of any such transfer, will cease to be governed by his or her prior Supplement and will be governed by the terms of his or her new Supplement in the Plan or in the General Dynamics Corporation Hourly Employees' Savings and Stock Investment Plan and any contribution and investment elections under the prior Supplement or



under the General Dynamics Corporation Hourly Employees' Savings and Stock Investment Plan will apply to this Plan if the applicable contribution rate structures and investment options, both before and after any such transfer, are the same. The preceding sentence shall not affect or otherwise eliminate the restrictions of Section 6.03 of the Plan or of Section 6.03 of the General Dynamics Corporation Hourly Employees' Savings and Stock Investment Plan.

3.07 Leased Employees. A "leased employee" shall not be eligible to participate in the Plan. Consistent with Code Section 414(n), a "leased employee" means any person who has provided services for an Employing Unit under primary direction of or control by the Employing Unit, on a substantially full time basis for a period of at least one year, pursuant to an agreement between the Employing Unit and a leasing organization. The period during which a leased employee performs services for the Employing Unit shall be taken into account for purposes of participation or service if such leased employee becomes an Eligible Employee, unless (i) such leased employee is a participant in a money purchase pension plan maintained by the leasing organization which provides a non-integrated employer contribution rate of at least 10 percent of compensation, immediate participation for all employees and full and immediate vesting, and (ii) leased employees do not constitute more than 20 percent of the Employing Unit's non-highly compensated workforce.

#### ARTICLE IV

##### PARTICIPANT CONTRIBUTIONS

4.01 401(k) Contributions. Subject to the limitations of this Article IV and the remainder of the Plan, effective January 1, 2006, the Plan Administrator may establish procedures for automatic enrollment in the Plan in which case each new Participant in the Plan after such date shall automatically have 3% (or such other percentage determined by the Plan Administrator) of his or her Deferral Pay contributed to the Plan as soon as administratively possible after the Plan Administrator is notified of such individual's first day of employment with the Company, unless an election to the contrary is made within thirty days. In accordance with any rules established by the Plan Administrator, such Participant may subsequently change such deferral percentage in accordance with any applicable Supplement. Subject to the foregoing, all other Participants and all Participants in the event automatic enrollment and deferral is not established under the Plan or until such time as such procedures are established may elect to make 401(k) Contributions under the Plan for any Plan Year, beginning with the Plan Year in which he or she becomes a Participant, as provided for in the applicable Supplement. Each election made by a Participant under this Section 4.01 must be made at such time and in such manner as the Plan Administrator shall determine. With respect to any Participant who is not treated by the Company as a full-time worker and whose benefits under this Plan are governed by a Supplement with a three-tier deferral structure (as contained in paragraphs A-3 and D-3 of Supplements A and D, respectively), the dollar and contribution rates in the applicable paragraphs of such Supplement shall be converted to equivalent hourly rates that will be applied to such Participant's eligible hours and related compensation.

Subject to the limits of Article IV, no sooner than April of 2005 and effective as of the date determined by the Plan Administrator, the Plan Administrator may establish a contribution escalator in which case a Participant may elect to have his or her deferral rate automatically increased on an annual basis in accordance with any rules established and communicated by the Plan Administrator.

4.02 Payment of Participant Contributions. A Participant's 401(k) Contributions shall be made by the Employing Unit on behalf of the Participant, and shall reduce the Participant's compensation at the time of payment of such compensation. Amounts so deducted (or amounts by which a Participant's compensation has been so reduced) for any calendar month shall be paid to the Trustee as soon as practicable thereafter, but in any event no later than the 15th business day of the next following month, subject to permissible extensions.

4.03 After-Tax Contributions. Beginning with the Effective Date, After-Tax Contributions shall be permitted under the Plan only as set forth in the applicable Supplement.

4.04 Variation, Discontinuance and Resumption of Participant Contributions. A Participant may elect to change his or her Deferral Percentage (but not retroactively) within the limits specified in this Article IV, to discontinue contributions or to resume contributions. Each such election by a Participant shall be made at such time and in such manner as the Plan Administrator shall determine, and shall be effective only in accordance with such rules as shall be established from time to time by the Plan Administrator.

4.05 Maximum Amount of Participant 401(k) Contributions. In no event shall the amount of 401(k) Contributions (not including Rollover Contributions) by a Participant for any calendar year exceed \$15,000 (or such other amount as may be determined under Code Section 402(g) for that calendar year). If, because of the foregoing limitation, a portion of the contributions made by a Participant may not be credited to his or her Account for a calendar year, such portion (and the earnings thereon) shall be distributed to the Participant by April 15 of the following calendar year (subject to permissible extensions).

4.06 Limitation on Participant Compensation Deferral Contributions. Notwithstanding the foregoing provisions of this Article IV, in no event shall the average deferral percentage ("ADP," as defined below) for any Plan Year of the Highly Compensated Employees who are Plan Participants exceed the greater of:

- (a) the ADP of all other Participants for the current Plan Year multiplied by 1.25; or
- (b) the ADP respectively, of all other Participants for the current Plan Year multiplied by 2.0; provided that the ADP of such Highly Compensated Participants does not exceed that of all other Participants for the current Plan Year by more than 2 percentage points.

The ADP of a group of Participants for a Plan Year means the average of the actual deferral ratios (determined separately for each Participant in such group) of such group of Participants, where the actual deferral ratio for a Participant means the ratio of: (i) the 401(k) Contributions made by such Participant for such Plan Year; to (ii) the Participant's compensation, determined in accordance with Section 414(s) of the Code, for such Plan Year. For purposes of the ADP calculation under this Section 4.06, a Participant means any employee who is eligible to make 401(k) Contributions under the Plan.

The 401(k) Contributions made by the Highly Compensated Employees will be reduced to the extent necessary to meet the requirements of this Section 4.06. The reductions will occur in the following manner (and in accordance with guidance set out by the IRS, including Notice 97-2):

- (c) The actual deferral ratio of the Highly Compensated Employee with the highest actual deferral ratio is reduced such that the actual deferral ratio is equal the actual deferral ratio of the Highly Compensated Employee with the next highest actual deferral ratio, provided, if applicable, that the reduction of the actual deferral ratio will be no more than is necessary to satisfy the ADP test indicated above.
- (d) The process of step (c) is repeated until the ADP test indicated above is satisfied. The total amount of excess 401(k) Contributions is equal to the sum of these hypothetical reductions multiplied, in each case, by the Highly Compensated Employee's compensation (as determined above).
- (e) The 401(k) Contributions of the Highly Compensated Employee with the highest dollar amount of 401(k) Contributions are reduced by the amount required to cause that Highly Compensated Employee's 401(k) Contributions to equal the dollar amount of the 401(k) Contributions of the Highly Compensated Employee with the next highest dollar amount of 401(k) Contributions. This amount is then distributed as provided below to the applicable Highly Compensated Employee. However, if a lesser reduction, when added to the total dollar amount already distributed under this step, would equal the total excess 401(k) Contributions determined under step (d), the lesser reduction amount is distributed.
- (f) If the total amount distributed in accordance with step (e) is less than the total excess 401(k) Contributions determined under step (d), step (e) is then repeated.

If, because of the foregoing limitations, a portion of the 401(k) Contributions (and any applicable Employer Matching Contributions thereon) made by a Highly Compensated Employee may not be credited to his or her Account for a Plan Year, such portion of the 401(k) Contributions (and the earnings thereon) shall be distributed to such Participant (or where applicable, permitted by law and approved by the Company, placed in a non-qualified supplemental benefit plan), if administratively feasible, within 2½ months after the end of that Plan Year, but in no event later than the last day of the next following Plan Year. Any such portion of Employer Matching Contributions attributable to the aforementioned distributed 401(k) Contributions shall be forfeited. In order to comply with this Section 4.06, at its discretion, the Plan Administrator may impose, from time to time, a maximum deferral percentage that each Highly Compensated Employee may elect to defer as his or her 401(k) Contribution.

To the extent that the Plan is aggregated with other plans for purposes of Code Sections 401(a)(4) or 410(b) (other than Code Section 410(b)(2)(A)(ii)), for purposes of determining whether the Plan satisfies the above ADP test, all elective contributions made under the Plan and such other plans shall be treated as being made under a single plan. If the Plan is permissively aggregated with other plans for purposes of section 401(k), the aggregated plans must also satisfy Code Sections 401(a)(4) and 410(b) as though they were a single plan. For purposes of the above ADP test, the actual deferral ratio of a Highly Compensated Employee will be determined by treating all cash and deferred arrangements under which the Highly Compensated Employee is eligible (other than those that may not be permissively aggregated) as a single arrangement.

The provisions herein relating to the ADP test shall be administered in accordance with Code Section 401(k) and the applicable regulations and guidance thereunder.

4.07 Rollover Contributions. At the direction of the Plan Administrator, and in accordance with such rules as the Plan Administrator may establish from time to time, rollovers described in Section 402(c) of the Code, rollover contributions described in Section 408(d)(3) of the Code and benefits of an Employee under another plan that meets the requirements of Section 401(a) of the Code may be received by the Trustee in cash only, and will be credited to an account established in the name of the Employee (provided he is eligible to be an Active Participant under this Plan).

Additionally, after December 31, 2001, at the direction of the Plan Administrator and in accordance with such rules as the Plan Administrator may establish from time to time, the Plan will accept only in cash on behalf of an Active Participant:

- (a) a direct rollover of an eligible rollover distribution from: (i) another plan that meets the requirements of Sections 401(a) or 403(a) of the Code (excluding after-tax employee contributions, unless (if permitted by the Plan Administrator) such contributions are separately accounted for and relate to corporate acquisitions or the integration of acquired plans' assets into the Plan); or (ii) an annuity contract described in Section 403(b) of the

Code (excluding after-tax employee contributions); or (iii) an eligible plan under Section 457 of the Code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state;

- (b) a Participant contribution of an eligible rollover distribution from: (i) another plan that meets the requirements of Sections 401(a) or 403(a) of the Code (excluding after-tax employee contributions, unless (if permitted by the Plan Administrator) such contributions are separately accounted for and relate to corporate acquisitions or the integration of acquired plans' assets into the Plan); or (ii) an annuity contract described in Section 403(b) of the Code (excluding after-tax employee contributions); or (iii) an eligible plan under Section 457 of the Code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state; and
- (c) a Participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

Any amounts received by the Trustee for a Participant in accordance with any of the preceding provisions shall be adjusted from time to time in accordance with Article IX of the Plan and shall be fully vested in the Employee for whom it is held under the Plan.

4.08 Vesting. A Participant shall always be 100% vested in the amounts (including earnings) attributable to any 401(k) Contributions, After-tax Contributions, Rollover Contributions and catch-up contributions described in Section 4.09. Any dividends from investments in the General Dynamics Stock Fund shall always be 100% vested to the extent the election contemplated by Section 8.14 of the Plan is permitted by the Plan Administrator. See Article VII for vesting rules affecting other types of Contributions.

4.09 Catch-up Contributions. Effective January 1, 2002 and in accordance with, and subject to the limitations of, Section 414(v) of the Code, all Participants who are eligible to make elective deferrals under the Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions. For purposes of the preceding sentence, a Participant who is projected to attain age 50 before the end of a Plan Year shall be deemed to be age 50 as of January 1 of such year. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such catch-up contributions. Furthermore, the election to make such catch-up contributions shall be made in accordance with such rules as determined by the Plan Administrator and, at the discretion of the Plan Administrator, may be made separately from all other contribution elections under the Plan. Unless otherwise provided by the Plan



Administrator, such catch-up contributions shall not be eligible for Employer Contributions under Section 5.01 hereof.

4.10 Amounts Limited. Notwithstanding anything to the contrary contained herein, to the extent permitted by the Company and pursuant to an unfunded deferred compensation plan established by the Company, amounts limited by applicable tax or Plan limitations may be credited to such unfunded deferred compensation plan, and amounts so limited that may have been paid to the Plan may be returned to the Company.

## ARTICLE V

### EMPLOYER CONTRIBUTIONS

5.01 Employer Matching Contributions. For each month of the Plan Year, the Company shall make an "Employer Matching Contribution" to the Trustee equal to a percentage of the aggregate 401(k) Contributions made by Participants during such month pursuant to Section 4.01, but reduced by the amount of forfeitures, if any, allocable pursuant to Section 7.03. The percentage (if any) of such Employer Matching Contributions shall be determined pursuant to the applicable Supplement set forth at the end of this Plan. Employer Contributions may be made in cash or such other property as may be determined by the Company, and shall be invested in accordance with Article VI. Notwithstanding the foregoing, no Employer Contributions shall be made in Company Stock during a period commencing with the public announcement of an offer for acquisition of the common stock of the Company (ending at the expiration of the offer period), as described in Article VI.

The Company may make additional Employer Matching Contributions to the Accounts of Participants in accordance with such nondiscriminatory rules as it may establish and communicate from time to time so that certain Participants are able to benefit from Employer Matching Contributions throughout any particular Plan Year, provided that such additional contributions do not exceed the amount that such Participants would have received had their contributions been made throughout the duration of any particular Plan Year.

5.02 Employer Discretionary Contribution. For each Plan Year, the Company, in its discretion, may specify (a) an aggregate discretionary contribution to be made under the Plan for that year, (b) a definite basis or formula by which such aggregate discretionary contribution can be determined within a reasonable time after the end of that Plan Year, or (c) effective January 1, 2005 (or such other date indicated in any Supplement), any other type of Company contribution that is not necessarily based on the achievement or existence of any profits or actual 401(k) Contributions applicable for and described in any one or more Supplements. Any of the foregoing shall be known as an "Employer Discretionary Contribution". In the event Employer Discretionary Contributions are made for any Plan Year, the Company, as specified in a Supplement, shall contribute to the Trustee amounts determined by it which shall be allocated to the Accounts of Participants eligible for such contributions in accordance with the applicable Supplement. In addition to the foregoing, the Company shall be

permitted to make any such contributions on any basis determined by the Company that will permit passage of any discrimination or other testing.

5.03 Limitations on Employer Contributions. The Company's total contribution for a Plan Year is conditioned on its deductibility under Section 404 of the Code in that year, shall comply with the contribution limitations set forth in Section 9.09 and the allocation limitations contained in Section 9.13, and shall not exceed an amount equal to the maximum amount deductible on account thereof by the Company for that year for purposes of federal taxes on income.

5.04 Payment of Employer Contributions. The Company's total contribution under the Plan for any Plan Year shall be paid without interest, not later than the time prescribed by law for filing the Company's federal income tax return for such year, including extensions thereof.

5.05 Verification of Employer Contributions. If for any reason the Company decides to verify the correctness of any amount or calculation relating to any contribution for any Plan Year, the certificate of an independent accountant selected by the Company as to the correctness of any such amount or calculation shall be conclusive on all persons.

5.06 No Interest in Employers. The Company shall have no right, title or interest in the Trust Fund, nor shall any part of the Trust Fund revert or be repaid to the Company, directly or indirectly, unless:

- (a) the Internal Revenue Service initially determines that the Plan, as applied to the Company, does not meet the requirements of Section 401(a) of the Code, in which event the contributions made to the Plan by the Company shall be returned to it within one year after such adverse determination;
- (b) a contribution is made by the Company by mistake of fact and such contribution is returned to it within one year after payment to the Trustee;  
or
- (c) a contribution conditioned on the deductibility thereof is disallowed as an expense for federal income tax purposes and such contribution (to the extent disallowed) is returned to the Company within one year after the disallowance of the deduction.

Contributions may be returned to the Company pursuant to paragraph (a) above only if they are conditioned upon initial qualification of the Plan, and an application for determination was made by the time prescribed by law for filing the Company's federal income tax return for the taxable year in which the Plan was adopted (or such other date as the Secretary of the Treasury may prescribe). The amount of any contribution that may be returned to the Company pursuant to paragraph (b) or (c) above must be reduced by any portion thereof previously distributed from

the Trust Fund and by any losses of the Trust Fund allocable thereto, and in no event may the return of such contribution cause any Participant's Account balances to be less than the amount of such balances had the contribution not been made under the Plan.

## ARTICLE VI

### INVESTMENT OF CONTRIBUTIONS

6.01 The Investment Funds. The Trust Fund as of any date shall consist of all property of every kind then held by the Trustee on behalf of the Plan. The Trust Fund shall consist of such investment funds as the Company shall determine from time to time, except that the Trust Fund shall maintain a Company Stock fund ("General Dynamics Stock Fund") that shall be invested 100% in Company Stock (except for a small portion (not to exceed 4%) of the General Dynamics Stock Fund's assets retained in cash or other liquid investments to allow such fund to process General Dynamics Stock Fund orders and pay permitted expenses). A portion of the General Dynamics Stock Fund shall be an ESOP, as described in the following paragraph. The Trustee's purchase of Company Stock for the General Dynamics Stock Fund shall be made in accordance with this Section and Section 6.05 below. Pending investment, reinvestment or distribution as provided in the Plan, the Trustee may temporarily retain the assets of any one or more of the investment funds in cash, commercial paper, short-term obligation, or undivided interests or participation in common or collective short-term investment funds. Any investment fund may be partially or entirely invested in any common or commingled fund or in any group annuity, deposit administration or separate account contract issued by a legal reserve life insurance company which is invested generally in property of the kind specified for the investment fund. The Company, in its discretion, may direct the Trustee to establish such investment funds or to terminate any of the investment funds as it shall from time to time consider appropriate and in the best interests of the Participants. The funds established hereunder may be referred to collectively as the "investment funds" and individually as an "investment fund."

The General Dynamics Stock Fund shall consist of two sub-funds: a "Contribution Sub-fund" and an "ESOP Sub-fund". The Contribution Sub-fund shall not be an ESOP. The ESOP Sub-fund shall be an ESOP. In accordance with procedures established by the Plan Administrator, all contributions (including Company Stock contributions and all units representing such shares) to the General Dynamics Stock Fund shall first be deposited into the Contribution Sub-fund. As of dates determined by the Plan Administrator, in its sole discretion, that are prior to the Company's record date for determining to whom dividend payments are due and on each December 31 of each Plan Year, all contributions held in the Contribution Sub-fund (except for any contributions or benefits that are integrated with Social Security) shall be transferred to the ESOP Sub-fund in order for Participants and Beneficiaries to make the election described in Section 8.14 herein. Notwithstanding anything to the contrary, all contributions made to the Contribution Sub-fund shall be deemed as "non-ESOP" for all average deferral percentage testing and all aggregate contribution percentage testing purposes under the Plan.



6.02 Investment Fund Elections. A Participant may elect to invest all or a portion of his or her Employee Contributions and, where permitted, the Employer Contributions made on his or her behalf in one or more of the investment funds. Investment elections must be made in whole percentages, shall be made at such time and in such manner as the Plan Administrator shall determine, and shall be subject to any rules, restrictions and limitations established by the Plan Administrator. If a Participant fails to make an election under this Section 6.02, his or her contributions and his or her share of the Employer Contributions will be invested in such investment fund as shall be designated from time to time by the Plan Administrator. Notwithstanding the foregoing, Employer Matching Contributions made to the Plan on behalf of a Participant who is eligible to receive a 100% Employer Matching Contribution shall be invested in the General Dynamics Stock Fund subject to the provisions of this Article, unless otherwise specified in any applicable Exhibit or Supplement. Notwithstanding the foregoing and notwithstanding Section 1.06 and anything to the contrary in any Supplement or Exhibit, Employer Matching Contributions made to the Plan on behalf of a Participant who is not eligible to receive a 100% Employer Matching Contribution shall be invested in accordance with such Participant's own investment fund elections. The Plan Administrator shall establish rules to permit investment fund elections consistent with Code Section 401(a)(28) and any related Treasury regulations thereunder for ESOP diversification purposes under the Plan.

Participants shall be deemed to have instructed the Plan Administrator to invest all automatic deferrals, as described in Section 4.01 of the Plan, in the Plan's fixed-income-type investment fund, unless otherwise prescribed by the terms of an applicable Supplement.

Unless otherwise provided in Section 8.14, dividends paid on investments held in the General Dynamics Stock Fund shall be reinvested in that investment fund.

6.03 Five Year Transfer Rule. Notwithstanding the foregoing, units in the General Dynamics Stock Fund acquired by the Account of a Participant who is eligible to receive a 100% Employer Matching Contribution may not be transferred until the first day of the fifth Plan Year after which they were acquired. This restriction shall apply to both Employer and Employee contributions for such Participants. Notwithstanding the foregoing, effective January 1, 2005, the restrictions of this Section 6.03 shall not apply to the extent required by Code Section 401(a)(28)(B) for ESOP diversification purposes under the Plan. This Section 6.03 shall not apply to any General Dynamics Stock Fund dividends that are subject to the election contemplated in Section 8.14 of the Plan.

6.04 Investment Fund Transfers. Subject to Section 6.03 of the Plan and any administrative rules established by the Plan Administrator, a Participant may elect that all or a part of his or her interest in an investment fund shall be liquidated and the proceeds thereof transferred to one or more of the other investment funds. Each such election may be made in either whole percentages or on a dollar specific basis. Transfers may be made at such time and in such manner as the Plan Administrator shall determine, and shall be subject to any rules,

restrictions and limitations established by the Plan Administrator, including, but not limited to, restrictions on and resulting penalties for excessive trading.

6.05 Purchase of Company Stock. As soon as practicable after receipt of contributions applicable thereto, the Trustee shall regularly purchase Company Stock from time to time in the open market in accordance with a non-discretionary purchasing program, or shall purchase authorized but unissued Company Stock from General Dynamics Corporation or Company Stock held in the treasury of General Dynamics Corporation. In the event that authorized but unissued or treasury Company Stock is purchased by the Trustee, the price per share shall be the average closing market price of the Company Stock on the New York Stock Exchange over the five most recent days prior to such purchase on which at least one sale took place. Company Stock will be held in the name of the Trustee or its nominees for the account of the Participants or Inactive Participants until distributed, and the Trustee shall in its discretion exercise or sell any rights for the purchase of any additional shares of Company Stock or other securities which General Dynamics Corporation may offer to its shareholders, except as described in Section 6.06 below.

6.06 Voting of Company Stock. Before each annual or special meeting of the share owners of General Dynamics Corporation, the Trustee shall furnish or cause to be furnished to each Participant for whom a Company Stock Account is maintained a copy of the proxy solicitation material for such meeting, together with a request for the Participant's confidential instructions on how the shares credited to the Participant's Company Stock Account should be voted. Upon receipt of such instructions, the Trustee shall vote such shares as instructed. Any shares held by the Trustee as to which it receives no voting instructions shall be voted by the Trustee in its sole discretion.

6.07 Tenders or Offers of Purchase for Company Stock.

(a) This Section 6.07 shall apply if an offer is received by the Trustee (including a tender or exchange offer within the meaning of the Securities Exchange Act of 1934, as from time to time amended and in effect) to acquire shares of Company Stock held by the Trustee in the Trust Fund, whether or not allocated to the account of any Participant, or to acquire any rights relative to such Company Stock which by their terms are exercisable in the event of an offer for a defined percentage of Company Stock (hereafter "Offer"). The provisions of this Section 6.07, if inconsistent with any other Plan provisions, shall take precedence with respect to shares sold, exchanged or transferred pursuant to an Offer and the proceeds received by the Trustee therefrom. For purposes of this Section 6.07, the term Participant shall also include Inactive Participant.

(b) Tenders and Withdrawal of Tenders of Company Stock.

- (1) Company Stock Allocated to Participant Accounts. Each Participant, or a representative properly designated by that Participant or the Participant's legal guardian (to the extent consistent with the terms of an Offer), shall be entitled to give directions to the Trustee to sell, exchange or transfer (referred to hereafter as "Tender") pursuant to an Offer any shares, or equivalent shares, allocated to that Participant's account which may be Tendered. The Trustee may only Tender shares, or equivalent shares, allocated to Participant accounts to the extent that the Trustee is timely directed to do so in writing by such Participant. To the extent not inconsistent with its fiduciary obligations under ERISA, the Trustee shall not Tender shares, or equivalent shares, for which it does not receive timely Participant directions.
- (2) Unallocated Shares of Company Stock. The Trustee shall determine whether to tender shares (or withdraw from an Offer previously Tendered shares) held in the Trust Fund which are not allocated to Participant Accounts.
- (3) Withdrawal of Tendered Shares or equivalent shares. If under the terms of an Offer or otherwise, shares which have been Tendered may be withdrawn, the Trustee shall follow such directions as shall be timely provided by Participants regarding the withdrawal of such shares, or equivalent shares, in the same manner as it would follow directions to Tender as described in (1) above.
- (c) Shares of Company Stock Allocated to Participant Accounts Which May Be Tendered. Participants may instruct the Trustee to Tender, or not Tender, any and all shares allocated to Participants' accounts in the General Dynamics Stock Fund, subject to the terms of the Tender Offer itself. Shares which the Trustee tenders, pursuant to a Participant's directions, shall be sourced on a pro rata basis from among all shares allocated to such Participant's account in the Plan.
- (d) Solicitation and Accumulation of Participant Tender Directions. Directions shall be solicited and accumulated from Participants regarding their decision to tender or withdraw shares subject to an Offer in accordance with the following:
  - (1) The Company and the Trustee shall not interfere in any manner with the decision of a Participant to tender or withdraw shares pursuant to such Offer (hereafter the "Investment Decision"). Communications to Participants by the offerer, the Company or

other interested party or public communications directed generally to the owners of Company Stock which is the subject of an Offer shall not be deemed to be interference. But, no communication or action shall be permitted which would threaten or intimate any actions, which would violate Section 510 of ERISA that would or might be taken with respect to any Participant who does not make an Investment Decision in accord with the wishes of the Trustee, the Company or Offerer.

- (2) The Trustee shall take all actions necessary to ensure that all investment decisions are made confidentially and shall retain an unrelated third party to tabulate all investment decisions for timely communication to the Trustee. Information regarding any specific Participant's Investment Decision shall be confidential and may not be released by the Trustee except as necessary to give effect to the investment decision.
  - (3) The Trustee shall use its best efforts to communicate, or cause to be communicated, to Participants the relevant provisions of the Trust Agreement regarding Participant rights to make investment decisions, the obligation of the Trustee to follow Participant directions and to tender shares.
  - (4) The Trustee shall use its best efforts to distribute, or cause to be distributed, to Participants information and communications in connection with the Offer which the Offerer or any other interested party (including the Company) has distributed to shareholders of record generally.
  - (5) The Company (or the Offerer) shall prepare and distribute (or ensure preparation and distribution of) the materials described in (iii) and (iv) above, and the Company shall perform the solicitation described in (d) above unless the Company directs the Trustee to distribute such materials or perform such solicitation.
- (e) Pro Rata Tender of Shares. If an Offer is made for less than 100% of all shares held by the Trustee, then each Participant may make an investment decision for the largest number of shares possible under the provisions of the Offer. The number of shares which will be Tendered from any Participant's account will be determined in a non-discriminatory, pro rata fashion by the Company and the Trustee consistent with the provisions of the Offer.

(f) Operation of the General Dynamics Stock Fund During the Pendency of an Offer.

- (1) All acquisitions by the Trustee of shares under the General Dynamics Stock Fund shall be suspended immediately following the public announcement by an Offerer of a Tender Offer, and shall not resume until the Offer Period(s) expires. The Offer Period(s) is that period during which an Offer (as described in (a) above) is outstanding and may be accepted or rejected or during which time an acceptance or rejection may be withdrawn. And for purposes of suspension of acquisition of Company Stock, the Offer Period shall include any additional period during which, in the Company's judgment, the Plan should not acquire shares in order for the Plan or Company to comply with federal law or regulations governing such Offers with respect to acquisitions of shares by affiliates of the Company.
- (2) All Participant and Employer Contributions, loan repayments, proceeds from investment fund transfers, repayments of prior distributions or reinstated Employer Contributions thereon, dividends and other distributions and any other amounts credited to the General Dynamics Stock Fund prior to receipt of an Offer and which had not been invested in shares prior to receipt of the Offer as well as any such amounts received during the Offer Period shall be:
  - (i) Held in the General Dynamics Stock Fund and invested in temporary investments as described in Section 6.01, and
  - (ii) Allocated to Participant accounts in accordance with Participant contributions or, with respect to dividends or other investment returns, in proportion to the number of shares credited to each Participant's accounts prior to the receipt of the Offer or as is otherwise appropriate.
- (3) After the Offer Period expires, the amounts described in (2) above shall be invested in Company Stock as would ordinarily occur under this Article VI.
- (4) If a Participant's shares are being cashed out, or are to be cashed out, pursuant to a loan or investment fund transfer requested pursuant to this Article VI prior to or during the Offer Period, then such shares shall not be available for Tender.

(g) Multiple Tender Offers. If while an Offer is outstanding, the Trustee received another Offer with respect to shares held in the Trust Fund, the Trustee shall use its best efforts to obtain directions from Participants (i) with respect to shares previously tendered under the first Offer whether to withdraw such shares from tender, if possible, and if withdrawn whether to Tender such shares pursuant to the second Offer and (ii) with respect to shares not tendered under the first Offer whether to Tender such shares under the second Offer. The Trustee shall follow all directions received in a timely manner from Participants in the manner described in this Article VI.

(h) Disposition of Proceeds Received from Tender of Company Stock.

(1) Notwithstanding anything to the contrary in this Plan, any proceeds received by the Trustee as the result of Tender of Company Stock pursuant to any Offer shall be deposited in a fund of the Company's choosing and made available for reallocation to Participants based on their participation in the Tender Offer.

6.08 Additional Restrictions. Without limiting the effect of Section 6.03, additional restrictions may be imposed on the Accounts of certain Participants with General Dynamics Stock Fund investments to comply with any securities laws or Company policies.

6.09 Special Fiduciary Provisions Concerning Company Stock. The Trustee shall adopt procedures designed to safeguard the confidentiality of information relating to the purchase, holding, and sale of such securities, and the exercise of voting, tender and similar rights with respect to such securities by Participants (and Beneficiaries), except to the extent necessary to comply with Federal laws or state laws not preempted by ERISA. The Plan Administrator shall ensure that the foregoing procedures are sufficient to safeguard the confidentiality of such information and such procedures are being followed.

## ARTICLE VII

### VESTING AND FORFEITURES

7.01 General. Each Participant and Inactive Participant shall have a continuing interest under this Plan until his or her Account is distributed or forfeited. An individual Account will be valued in accordance with this Article VII.

7.02 Vested Account. A Participant or Inactive Participant shall have a Vested Account balance in accordance with the following provisions:



- (a) Vested as of the Effective Date. Participants and Inactive Participants who are vested in any portion of their Account balance as of the Effective Date of the Plan shall continue to be vested in those balances.
- (b) Immediate Vesting. A Participant shall be 100% vested in his or her 401(k) Contributions, After-Tax Contributions, Rollover Contributions, catch-up contributions as described in Section 4.09, and in dividends from investments in the General Dynamics Stock Fund to which the election contemplated in Section 8.14 herein applies. All earnings allocated on all of the foregoing shall also be 100% vested.
- (c) Vesting of Employer Contributions. Participants and Inactive Participants shall become fully vested in all Employer Contributions and earnings thereon credited to their Accounts upon the earliest to occur of the following:
  - (1) Satisfaction by the Participant or Inactive Participant of the Continuous Service requirements set forth in the Supplement applicable to that Participant or Inactive Participant;
  - (2) Termination of a Participant's or Inactive Participant's employment from the Affiliated Employers by reason of the Participant's or Inactive Participant's death, Disability, or layoff (in accordance with Section 7.02(e)) or discharge without fault (as part of a reduction-in-force program as defined by uniform, non-discriminatory guidelines established by the Company); or
  - (3) Termination of the employment of a Participant or Inactive Participant by reason of retirement as described in the applicable provisions of Section 8.01(a).
- (d) Continuous Service. Subject to any administrative rules on Continuous Service established from time to time by the Plan Administrator, an individual's Continuous Service is the sum of the following:
  - (1) That period of employment with the Affiliated Group commencing on the later of the Effective Date or the individual's first Hour of Service and ending on the individual's Termination Date;
  - (2) For an individual who shall be in the employment of the Affiliated Group on the Effective Date, that period of Continuous Service prior to the Effective Date accrued under the terms of the Plan as it existed prior to such date; and

- (3) In the event an Employee who was not fully vested under Section 7.02(c) incurs a Termination Date, and is subsequently reemployed, his or her Continuous Service recognized in his or her previous period of employment will be recognized in his or her subsequent period of employment after he completes one year of Continuous Service following his or her reemployment.
- (e) Termination Date. Subject to Section 3.06, an Employee's "Termination Date" shall mean that last date on which he performed or was deemed to have performed an Hour of Service for the Affiliated Group as reported by the Affiliated Group Member.
- (f) One-Year Break-in-Service. A "One-Year Break-in-Service" shall mean any Plan Year within which the Employee fails to complete one Hour of Service.

7.03 Forfeitures.

- (a) If a Participant or Inactive Participant terminates employment and fails to vest in his or her Employer Contributions under Section 7.02(c), all non-vested amounts and shares then in the Participant's or Inactive Participant's account as of his Termination Date shall be forfeited the earlier of:
  - (1) The distribution date of the entire vested portion of the Participant's or Inactive Participant's Account attributable to Company Contributions; or
  - (2) The last day of the Plan Year in which the Participant or Inactive Participant incurs five consecutive One-Year Breaks-in-Service.

Furthermore, for purposes of Section 7.03(a)(1) above, in the case of a Participant or Inactive Participant whose vested benefit derived from Company Contributions is zero, such individual shall be deemed to have received a complete distribution of this vested portion upon his or her Termination Date.

- (b) Reinstatement of Forfeitures. An amount forfeited under Section 7.03 shall be reinstated if the Participant or Inactive Participant again becomes an Employee of the Affiliated Group. Notwithstanding the foregoing, if such an individual received a distribution of any amount upon termination, such distribution must be repaid to the Plan (valued as of the distribution date) for a reinstatement to be made. Such repayment must be made before the later of (1) five years after the Termination Date, or (2) five



years after the date of re-employment. Any reinstated amount (not including repayments) described in this Section shall be subject to the normal vesting provisions of Section 7.02(c). In addition, if the value of a Participant's Account was forfeited as a result of a distribution from the Plan prior to termination of employment, such value shall be restored to the Participant's Account provided such Participant repays to the Plan, in cash and in a lump sum, the value of the entire withdrawal and any loan amounts that were defaulted as part of a distribution upon a termination (less any amounts withdrawn from a rollover account), prior to any Termination Date.

In the event the individual repays the full amount distributed to him, the undistributed portion of the Participant's Account will be restored in full, unadjusted by any gains or losses. The source for such reinstatement shall be:

- (1) any Forfeitures occurring during the Plan Year; then
  - (2) any Income or gain to the Plan (pursuant to Treasury Regulation Section 1.411(a)-7(d)(6)(iii)(C)); and last,
  - (3) an Employer Contribution in an amount sufficient to restore Forfeited Accounts provided, however, that if an Employer non-elective contribution is made for such Plan Year, such contribution shall first be applied to restore any such Accounts and the remainder shall be allocated in accordance with the terms of the Plan.
- (c) Application of Forfeitures. All forfeitures of Employer Contributions and earnings thereon from the Accounts of any Participant or Inactive Participant shall be applied as a credit to reduce subsequent Employer Contributions or used to pay expenses of the Plan consistent with Section 10.17. All amounts so forfeited and applied shall be determined as of the accounting date coincident with or immediately following the date on which the event resulting in such forfeiture occurs. However, in the event the Plan is terminated, any amount not so applied by the Trustee shall be credited ratably to the Accounts of Participants and Inactive Participants in proportion to the amounts of their respective Accounts attributable to Employer Contributions.

7.04 Value Upon Distribution. The amount of a Participant's or Inactive Participant's distribution shall equal the Participant's Vested Account determined on the Valuation Date coincident with or immediately after the date on which the distribution is requested by the Participant or his or her Beneficiary.

## ARTICLE VIII

### DISTRIBUTIONS UPON RETIREMENT, TERMINATION OR DEATH

8.01 Right to Payment. For purposes of this Article VIII, the term "Participant" shall refer to both Participants and Inactive Participants. Upon termination of employment with the Affiliated Employers by reason of (a) through (d) below, the Participant or, in case of death, the Participant's Beneficiary, shall be eligible to receive a distribution in the time and manner described in this Article VIII. For purposes of this Article VIII, a termination of employment shall be the Termination Date on which a Participant's employment with the Affiliated Employers is terminated because of the first to occur of the following:

- (a) Retirement under a Pension Plan. If an Employee begins participation in the Plan after December 1, 1999, such Participant will be treated as retired for purposes of this Section if he terminates employment with an Employing Unit after he has attained the age of 55. In such event, the Participant's Vested Account balance may be distributed pursuant to any of the methods provided under Sections 8.02 and 8.05 below, or as otherwise provided in an applicable Supplement.

If an Employee is a Participant in the Plan on or before December 1, 1999, such Participant will be treated as retired for purposes of this Section if he terminates employment with an Employing Unit at the earlier of age 55 or the date the Participant satisfies the conditions for normal or early retirement under a defined benefit pension plan, maintained by or for an Employing Unit, in which the Participant participates, or if such Participant does not participate in such a defined benefit pension plan, the date he would otherwise satisfy the conditions for normal or early retirement under the applicable defined benefit pension plan. In such event, the Participant's Vested Account balance may be distributed pursuant to any of the methods provided under Sections 8.02 and 8.05 below, or as otherwise provided in an applicable Supplement.

- (b) Death. The date of the Participant's death prior to the commencement of distribution of his or her Vested Account from the Plan. In such event, the Participant's Vested Account balance may be distributed pursuant to either of the methods provided under Sections 8.02 and 8.05 below, or as otherwise provided in an applicable Supplement.
- (c) Disability. The date the Participant terminates from the employ of the Affiliated Group at any age by reason of a Disability. In such event, the Participant's Vested Account balance may be distributed pursuant to any of the methods provided under Sections 8.02 and 8.05 below, or as otherwise provided in an applicable Supplement.

- (d) Other Terminations. The date the Participant terminates employment for any reason, except as otherwise provided for in this Section 8.01, from the Affiliated Group pursuant to 7.02(e). In such event, the Participant's Vested Account balance may be distributed pursuant to the method provided under Sections 8.02 or 8.05 below. Notwithstanding anything to the contrary and effective after December 31, 2001, distributions of a Participant's Vested Account and earnings thereon shall be permitted on account of severances from employment regardless of when the severance from employment occurred or occurs.

8.02 Form of Payment. The normal form of benefit under the Plan is a lump sum. Subject to the conditions set forth in this Article VIII, a Participant, or in the case of his or her death, his or her spousal Beneficiary, may elect to receive his or her Vested Account balance in the forms specified below, as applicable pursuant to Section 8.01, or as otherwise provided in an applicable Supplement. Non-spousal Beneficiaries will only be permitted to receive benefits under the Plan as a lump sum.

- (a) Lump Sum. By payment in a single lump sum, valued as of the Valuation Date coincident with or after the date on which payment is requested.
- (b) Partial Distributions. By payment of partial lump sums, valued as of the Valuation Date coincident with or after the date on which such payment is requested. The value of and balances in the Vested Account will be reduced by the amount of any partial lump sums in accordance with any rules established by the Plan Administrator.
- (c) Installments. By payment in a series of annual or monthly installments over a period not to exceed the life expectancy of the Participant (or the designated Beneficiary) or the joint life expectancy of the Participant and his or her designated Beneficiary, provided that the designated Beneficiary for the joint life expectancy purposes of this Section 8.02(c) must be the Participant's spouse. The joint life expectancy option described in this Section 8.02(c) shall not be available if a Participant's designated Beneficiary is a person other than the Participant's spouse. The life expectancy of a Participant or his or her spouse shall be determined by use of the expected return multiples contained in the regulations under Section 72 of the Code. If a Participant dies while any installment remains unpaid, his or her remaining Vested Account balance shall be paid to his or her spousal Beneficiary in the form elected by such Beneficiary. Non-spousal Beneficiaries will receive any remaining unpaid installments in a lump sum. If the spousal Beneficiary elects to continue the installments, the remaining portion must be distributed over a period not exceeding the applicable period described in this Section 8.02 over which payments were being made to the Participant. In addition to the distribution options set

forth herein, a Participant may elect to receive his or her Vested Account balance in the additional form of fixed-amount installments (\$500 minimum with amount changes permitted annually).

Effective January 1, 2002, a Participant who elected any type of installment payments under the Plan may irrevocably cancel such installment payments at any time by notifying the Plan Administrator and substituting a fixed-amount installment payment (\$500 minimum with amount changes permitted annually) therefor. Such a Participant may subsequently elect a lump-sum distribution of his or her Vested Account balance at any time by notifying the Plan Administrator.

As clarification of past administration of the Plan and in accordance with rules established by the Plan Administrator, all installment payments under the Plan will be suspended upon a Participant's reemployment with an Employer and subsequent active participation in the Plan.

8.03 Distributions Made in Cash or Shares. All lump sum or total distributions requested by a former Employee or the designated Beneficiary of a deceased Participant shall be made in cash (or if the Participant so elects in full shares of Company Stock to the extent held in his or her Account and without regard to the limitations of Section 6.03). In addition, fractional shares of Company Stock shall be paid in cash and valued as of the date the distribution request is processed, but in any event after the Participant terminates employment with the Affiliated Group Member pursuant to Sections 8.01 (a), (b), (c) and (d) above, or requests a withdrawal or payment of his or her deferred Account balance pursuant to this Article 8. Notwithstanding anything to the contrary, all distributions made pursuant to Code Section 411(a)(11) shall be paid in cash.

8.04 Commencement of Payment. Except as provided below in this Section 8.04, payment of a Participant's Vested Account balance shall be made or installment payments will commence as soon as practicable after the appropriate date of termination of employment under Section 8.01 above, in accordance with such practices as the Plan Administrator may in its judgment implement. If a Participant's Vested Account balance at the time of distribution exceeds the applicable limit determined under Code Section 411(a)(11) (e.g., \$5000 or such other amount as may be subsequently specified in the Code), distributions may not be made to the Participant before his or her "required commencement date" (defined below) without his or her consent. Effective March 28, 2005, in accordance with Code Section 401(a)(31)(B), 29 C.F.R. § 2550.404a-2, and any other applicable law, if a Participant's Vested Account Balance at the time of distribution is less than or equal to \$5000, distributions may be made on behalf of a Participant before his or her "required commencement date" (defined below) without his or her consent as soon as administratively practicable. Distribution of benefits shall be made (or installment payments shall commence) no later than April 1 of the calendar year next following the year in which the Participant attains age 70½. Notwithstanding the foregoing, beginning with Participants who attain age 70½ in or after a calendar year

beginning on or after January 1, 1997, distribution of benefits must be made or commence no later than April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which he retires (his or her "required commencement date"); provided, however, that a Participant who already commenced receiving distributions prior to January 1, 1997, but who had not yet retired may elect during 1997 to stop distributions until his or her required commencement date. The required commencement date of a Participant who is a 5 percent owner (as defined in Section 416 of the Code) shall remain April 1 of the calendar year next following the calendar year in which he attains age 70½. All required minimum distributions shall be paid and calculated in accordance with any applicable regulations promulgated under Code Section 401(a)(9), except that:

- (a) if a Participant dies after his or her required commencement date, the remaining portion of his or her benefits must be distributed over a period not exceeding the period over which payments were being made to the Participant; or
- (b) if a Participant dies before his or her required commencement date, his or her benefits must be distributed over a period not exceeding the greatest of: (i) December 31 of the fifth calendar year following the death of the Participant; (ii) in the case of payments to a designated Beneficiary other than the Participant's spouse, the life expectancy of such Beneficiary, provided payments begin by December 31 of the calendar year following the Participant's death; or (iii) in the case of payments to the Participant's spouse, the life expectancy of such spouse, provided payments begin by December 31 of the year the Participant would have attained age 70½.

With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This paragraph of Section 8.04 shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Code Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

With respect to distributions under the Plan made with respect to calendar years beginning on or after January 1, 2003, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the final regulations under Code Section 401(a)(9) that are described in Revenue Procedure 2002-29.

**8.05 Deferral of Payment.** A Participant or spousal Beneficiary who is eligible to receive payment of his or her Vested Account pursuant to Section 8.01 may elect to defer such payment until his or her required commencement date (as defined in Section 8.04 above). The deferring Participant or spousal Beneficiary may elect to receive a lump-sum distribution of his or her entire Vested Account at any time after the initial deferral and before his or her required